II

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1ST SESSION

S. 2454

To require reports on and investments in pharmaceutical supply chain resiliency to reduce reliance on the People's Republic of China for finished pharmaceutical products and active pharmaceutical ingredients.

IN THE SENATE OF THE UNITED STATES

JULY 20, 2023

Mr. LANKFORD introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

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A BILL

To require reports on and investments in pharmaceutical supply chain resiliency to reduce reliance on the People's Republic of China for finished pharmaceutical products and active pharmaceutical ingredients.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Pharmaceutical Supply Chain Security Act''.

SEC. 2. REPORTS ON AND INVESTMENTS IN PHARMACEUTICAL SUPPLY CHAIN RESILIENCY TO REDUCE RELIANCE ON THE PEOPLE'S REPUBLIC OF CHINA.

(a) REPORT ON PHARMACEUTICALS IMPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA.—

(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Commissioner of Food and Drugs, in consultation with the United States Trade Representative, shall submit to the appropriate congressional committees a report that sets forth a list of—

(A) each finished pharmaceutical product that is imported into the United States from the People's Republic of China in a quantity that exceeds 20 percent of the quantity of the product available for use in the United States; and

(B) each active pharmaceutical ingredient that is imported into the United States from the People's Republic of China in a quantity that exceeds 20 percent of the quantity of the ingredient available for use in the United States.

(2) CONFIDENTIAL.—The report required by paragraph (1) shall be confidential and may not be disclosed to the public.

(b) STRATEGY FOR PHARMACEUTICAL SUPPLY CHAIN RESILIENCY.—

(1) IN GENERAL.—The President shall develop a comprehensive strategy to address the national security threat posed by the control by the People's Republic of China of the global supply of finished pharmaceutical products and active pharmaceutical ingredients.

(2) ELEMENTS.—The strategy required by paragraph (1) shall include efforts to develop a more reliable and secure supply chain for finished pharmaceutical products and active pharmaceutical ingredients, including manufacturing and production projects that—

(A) contribute to the development of a more reliable and secure supply chain for such products and ingredients;

(B) reduce reliance on the People's Republic of China for such products and ingredients; and

(C) facilitate cooperation with the governments of other countries in a concerted effort to

make significant strategic investments in research, development, and manufacturing of such products and ingredients.

(3) REPORT REQUIRED.—

(A) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the President shall submit to the appropriate congressional committees a report on the strategy required by paragraph (1).

(B) ELEMENTS.—The report required in paragraph (1) shall include—

(i) a description of the extent of the engagement of the United States International Development Finance Corporation with the governments of other countries to promote shared investment in and development of finished pharmaceutical products and active pharmaceutical ingredients; and

(ii) a description of the work of the United States Trade Representative to engage with the governments of those countries to decrease trade barriers for the development, production, refinement, and transportation of such products and ingredients.

(c) INVESTMENTS IN PHARMACEUTICAL SUPPLY CHAIN RESILIENCY.—

(1) IN GENERAL.—In support of the strategy required by subsection (b), the United States International Development Finance Corporation shall prioritize providing support under title II of the Better Utilization of Investments Leading to Development Act of 2018 (22 U.S.C. 9621 et seq.) for manufacturing and production of finished pharmaceutical products and active pharmaceutical ingredients, including projects that—

(A) contribute to the development of a more reliable and secure supply chain for such products and ingredients;

(B) reduce reliance on the People's Republic of China for such products and ingredients; and

(C) facilitate cooperation with the governments of other countries in a concerted effort to make significant strategic investments in research, development, and manufacturing of such products and ingredients.

(2) CERTIFICATION REQUIREMENT.—The United States International Development Finance Corporation may not provide support under para-

graph (1) for a project relating to the manufacturing or production of a finished pharmaceutical product unless the entity receiving the support certifies that—

(A) not more than 25 percent of the active pharmaceutical ingredients used in the product are sourced from a single country of origin that is a nonmarket economy country, as defined by the Secretary of Commerce; and

(B) the entity is not controlled, in whole or in part, by an entity organized under the laws of, or otherwise subject to the jurisdiction of, a nonmarket economy country.

(d) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—In this section, the term ''appropriate congressional committees'' means—

(1) the Committee on Health, Education, Labor, and Pensions, the Committee on Commerce, Science, and Transportation, the Committee on Foreign Relations, and the Committee on Finance of the Senate; and

(2) the Committee on Energy and Commerce, the Committee on Foreign Affairs, and the Com-

mittee on Ways and Means of the House of Representatives.

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